

**MINUTES OF SPECIAL MEETING
SERIES 2007 C SINGLE FAMILY MORTGAGE BONDS
July 23, 2007, 1:00 P.M.**

Notice having been given, the Montana Board of Housing held a special meeting on the issuance of its Single Family Program Bond Series 2007 C. The meeting took place on July 23, 2007 via teleconference to discuss the market, pricing of the bonds, and potential sale. Present were:

Board members: JP Crowley, Bob Gauthier

MBOH Staff: Bruce Brensdal, Nancy Leifer, Chuck Nemec, Mat Rude

Legal Counsel: Pat Melby

UBS Financial: Peter Nolden, Mina Choo, Lorraine Palacios, Justin Han, Drew Gurley

Bond Counsel: John Wagner

Trustee: Sandra Shupe

Peter Nolden said the Board and staff should have received the Preliminary Official Statements last week. The bond ratings were confirmed as AA1 for Moody's and S&P was in committee but he did not anticipate any problems and we should receive a AA+. The retail order period for Montana residents was started this morning.

Peter introduced Drew Gurley from New York underwriting desk, who summarized the retail order period and gave the proposed pricing on the bonds for tomorrow morning.

Drew said the market is quiet and at it's lowest in awhile. The ten year treasury is yielding 4.96; the 30-year treasury is 5.06. This week the numbers coming out include the report on existing housing on Wednesday, new housing and durable goods on Thursday and GDP on Friday. Economists are looking for the Feds to hold steady on their rate and most think the economy is in good shape. Drew gave an update on the retail order period this morning and overall things went well. Then he gave the Board the pricing scale.

Peter and Mina estimated that if bonds were sold as predicted a full spread mortgage rate would be approximately 6.09% and a breakeven rate would be around 5.75%. Drew will run an order period and they will contact Bruce early in the morning.

Consensus was given to proceed. The meeting adjourned at 1:25 p.m.

JP Crowley, Chairman

Date

Bruce Brensdal

Date